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April 15, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

SACRAMENTO UPDATE

This memorandum contains a pursuit of County position on legislation to expand the definition of the term redevelopment, a pursuit of position on a State Budget proposal, status of County-sponsored legislation regarding the homeowner notification program, an update on six County-advocacy measures regarding: 1) the Wraparound Services Program for foster youth; 2) the election of members to the County Board of Education; 3) physical activities for school-aged children; 4) foster youth identity theft; 5) elimination of First 5 Commissions; and 6) general plan amendments, and status of two County-interest bills regarding: 1) nuisance abatement fines; and 2) East Los Angeles incorporation.

Pursuit of County Position on Legislation

AB 2759 (Nestande), as amended on April 5, 2010, would redefine the term redevelopment to include improving, increasing or preserving emergency shelters for homeless persons or households and transitional housing. Transitional housing would be defined as housing with supportive services for up to 24 months that is exclusively designated and targeted for recently homeless persons and may include self-sufficiency development services. The bill also would allow redevelopment agencies to transfer up to 5 percent of their Low- and Moderate-Income Housing Fund to another agency to be used for emergency shelters or transitional housing outside of the project area in which property tax increment funds were collected.

"To Enrich Lives Through Effective And Caring Service"

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The Community Development Commission (CDC) indicates that the Housing Authority of the County of Los Angeles (HACoLA) administers City of Industry Tax Increment Funds (Industry Funds) for the development of affordable rental housing for non-special needs and special needs populations. Industry Funds dedicated for special needs populations are used to develop transitional and permanent housing for families that are homeless or at-risk of homelessness. AB 2759 would redirect funds away from the development of permanent housing for homeless populations to develop housing that is not permanent. The CDC indicates that it has sought to preserve funds held in the Low- and Moderate-Income Housing Fund for affordable housing, not shelters, and the pooling of funds could adversely impact the transfer of Industry Funds to HACoLA.

The CEO Community and Municipal Services Cluster indicates that this proposal would expand the definition of blight by adding transitional housing as a new criteria. The bill also would define transitional housing as supportive services for up to 24 months; however, under current law redevelopment funds cannot pay for supportive services. The pooling of funds among agencies could allow some agencies to avoid the responsibility of spending low and moderate funds within their communities by placing new shelters in neighboring communities. In addition, agencies that participate in coordinated shelter plans would be exempted from the requirement to replace demolished low and moderate income housing on a one-for-one basis. Furthermore, the bill would allow some communities to reduce their participation in providing low and moderate income housing, as current law requires.

The Community Development Commission, the CEO Services Integration Branch and this office oppose AB 2759. Therefore, consistent with existing Board policy to oppose any redevelopment legislation which would cause the County to lose revenues, limit or repeal provisions of AB 1290 (Chapter 942, Statutes of 1993), and to oppose proposals that would reduce or eliminate the transfer of the Industry Funds to HACoLA or reduce authority and use over such funds, **the Sacramento advocates will oppose AB 2759.**

The measure is sponsored by the City of La Quinta. It is supported by the City of Cathedral City, City of Indian Wells, City of Palm Desert, City of Rancho Mirage, American Planning Association (California Chapter), Coachella Valley Regional Housing Trust, Coachella Valley Rescue Mission, KDI Elements, La Quinta Chamber of Commerce, Peterson, Slater and Osborne Accountancy Corporation, Retirement Coach, Sunrise Company, and eight individuals. It is opposed by Aging Services of California, California Rural Legal Assistance Foundation and Western Center on Law and Poverty. The measure is currently in the Assembly Housing and Community Development Committee awaiting a hearing date.

Pursuit of County Position on a State Budget Item

On April 13, 2010, Assembly Budget Subcommittee No. 4 on State Administration considered a legislative proposal by the Administrative Office of Courts (AOC) to grant the new Long Beach Courthouse a property tax exemption. No action was taken on this proposal. The AOC is currently working on a lease financing option with a private-for-profit developer to construct the new courthouse and the AOC is seeking a change in statute to exempt the developer from property taxes on the landlord's taxable possessory interest on the property.

The Assessor's Office indicates that the Legislature has the authority to exempt personal property under specified circumstances. However, according to the Assessor's Office, it would be unconstitutional for the Legislature to authorize a tax exemption on property occupied and/or leased by a private-for-profit agency. If such tax exemption is enacted, the County and other applicable taxing agencies in the area would experience a loss of property tax revenues, and this proposal would establish an undesirable precedent in which other entities would attempt similar statutory property tax exemptions.

The Assessor's Office and this office oppose this proposal. Therefore, consistent with existing Board policy to minimize the adverse impact of State actions and policy to oppose proposals that would negatively affect County revenues, **the Sacramento advocates will oppose this proposal and other similar proposals.**

Status of County-Sponsored Legislation

County-sponsored SB 878 (Liu), as amended on April 7, 2010, would: 1) enhance the County's existing homeowner notification program to authorize the County to notify homeowners and renters subject to notices of default or sale; 2) authorize the County to collect a fee for notification upon the recording of a notice of default or sale; and 3) authorize the County to use a portion of the recording fee to provide information, counseling, or assistance to a person who receives the notice. This measure is set for a hearing in the Senate Judiciary Committee on April 27, 2010.

Status of County-Advocacy Legislation

County-supported AB 1758 (Ammiano), which as introduced on February 8, 2010, would remove the designation of the Wraparound Services Program as a pilot project and would authorize all counties to provide comprehensive services to allow children to remain in a family setting in lieu of placement in a group home, passed the Assembly

Appropriations Committee on April 14, 2010 by a vote of 15 to 0. This measure now proceeds to the Assembly Floor Consent Calendar.

County-opposed AB 1989 (Mendoza), which as introduced on February 17, 2010, would require members of the County Board of Education to be elected by a direct primary election, passed the Assembly Education Committee on April 7, 2010 by a vote of 6 to 2. This measure now proceeds to the Assembly Appropriations Committee.

County-supported AB 2705 (Hall), which as introduced on February 19, 2010, would promote increased physical activity for school-aged children by: 1) requiring children in grades 1 through 6 to spend at least 50 percent of the time in physical education classes in moderate to vigorous physical activities; and 2) establishing a component for After School Education and Safety Programs to provide an element of physical fitness consisting of at least 30 minutes of moderate to vigorous physical activity, passed the Assembly Education Committee on April 7, 2010 by a vote of 7 to 0. This measure now proceeds to the Assembly Appropriations Committee. On April 14, 2010, AB 2705 was amended to make this measure effective at the start of the 2013-14 school year and to clarify the physical education standards.

County-supported AB 2698 (Block), which as introduced on February 19, 2010, would strengthen the procedures for requesting credit reports and handling suspected identity theft on behalf of foster youth, passed the Assembly Human Services Committee with amendments on April 13, 2010 by a vote of 5 to 0. The amendments would require a credit report from each of the national credit reporting agencies pursuant to the free annual disclosure provision of the Federal Fair Credit Reporting Act. This measure now proceeds to the Assembly Appropriations Committee.

County-opposed SB 1109 (Cox), which as introduced on February 17, 2010, would: 1) abolish the First 5 California and the First 5 County Commissions throughout the State; 2) eliminate the allocation of Proposition 10 funds to the State and County First 5 Commissions; 3) redirect all future Proposition 10 revenue to the State General Fund for the Healthy Families and Medi-Cal Programs; and 4) reallocate unencumbered Proposition 10 revenues earmarked for local control to county offices of education, counties and incorporated cities, subject to voter approval, failed passage in the Senate Health Committee on April 14, 2010 by a vote of 2 to 7.

County-opposed SB 1174 (Wolk), which would require: 1) a city or county to amend its general plan to address the presence of island, fringe, or legacy unincorporated communities, as defined, inside or near its boundaries; 2) the amended general plan to include specified information about disadvantaged unincorporated communities; and 3) a city or county, after the initial amendment of its general plan, to review, and if

necessary, amend its general plan to update its information, goals, and program of action relating to these communities, was amended on April 13, 2010.

The amendments to SB 1174 would require a city or county, prior to January 1, 2013, and thereafter upon each revision of its housing element, to review and update one or more elements of its general plan as necessary to include data and analysis, goals, implementation measures, policies, and objectives to address the presence of unincorporated island, fringe, or legacy communities inside or near its boundaries, instead of updating each element of the general plan.

This measure is sponsored by the California Rural Legal Assistance Foundation and co-sponsored by PolicyLink. There is no registered opposition. This measure is set for a hearing on April 21, 2010, in the Senate Local Government Committee.

Status of County-Interest Legislation

AB 2317 (Saldana), as amended on April 5, 2010, would authorize cities and counties to collect fines related to nuisance abatement using a nuisance abatement lien or a special assessment.

Existing law authorizes the legislative body of a city or county to establish a procedure to use a nuisance abatement lien or a special assessment to collect abatement costs and related administrative costs. AB 2317 would also allow the city or county to collect fines related to the nuisance abatement in addition to the costs of the abatement within one administrative procedure. According to the author, the collapse of the real estate market has increased nuisance conditions found on real property. Owners often fail to maintain their properties to such an extent that they pose health and safety threats to their community. Despite court hearings and findings of violation, owners often ignore the imposition of fines, and cities and counties have difficulty enforcing local nuisance ordinances.

Although current law allows cities and counties to adopt procedures for the recovery of nuisance abatement and related administrative costs through a lien or special assessment against the nuisance property, fines levied against a property owner for maintaining the nuisance must be addressed by local governments under an entirely separate administrative procedure. A local government wishing to collect both costs and fines for the nuisance abatement is required to endure two administrative proceedings to recover fines and out-of-pocket costs for the same nuisance, which is an unnecessary burden to cities and counties. AB 2317 would allow cities and counties to impose fines for nuisance abatement using the same procedure for which they seek

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reimbursement for administrative costs, which promotes government efficiency by combining two administrative procedures into one.

AB 2317 is sponsored by the City of San Marcos, and supported by the American Planning Association – California Chapter, California Peace Officers' Association, California Police Chiefs Association, California State Association of Counties, League of California Cities, and Marin County Council of Mayors and Council members. It is opposed by Cal-Tax and Howard Jarvis Taxpayers Association. This measure passed the Assembly Local Government Committee on April 14, 2010 by a vote of 6 to 2, and now proceeds to the Assembly Floor.

SB 1232 (Romero), as amended on April 13, 2010, would require: 1) the East Los Angeles Residents Association by, October 29, 2010, to deposit any funds required by the Los Angeles County Agency Commission (LAFCO) to complete a comprehensive fiscal analysis as a condition to the continuation of the current petition for a change of organization submitted to LAFCO; and 2) any signatures that were submitted with the petition to continue to be considered valid through October 29, 2010, and after that date if the petition proceeds and is accepted for filing. The bill contains an urgency clause making it effective immediately if passed by the Legislature and signed by the Governor.

According to County Counsel, LAFCO set a final deadline of April 29, 2010 for the petitioners of the East Los Angeles incorporation proposal to deposit funds for the comprehensive fiscal analysis. SB 1232 would extend this deadline to October 29, 2010. Support and opposition to the bill is currently unknown. This measure is currently at the Senate Desk awaiting referral to a policy committee.

We will continue to keep you advised.

WTF:RA
MR:EW:IGEA:sb

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
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League of California Cities
City Managers Associations
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